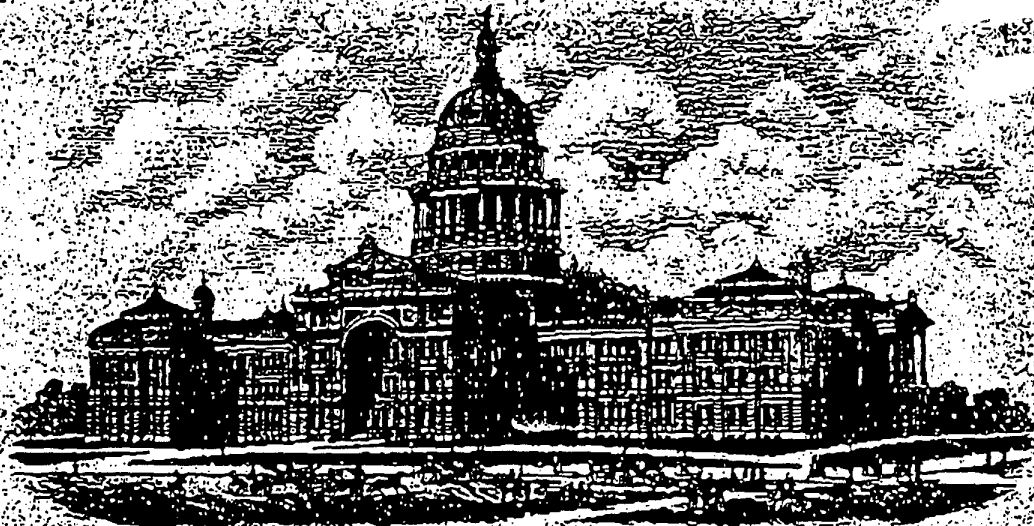


Sunset Advisory Commission



TEXAS STATE CAPITOL BUILDING

Advisory Commission on State Emergency Communications



Staff Report

1998

**ADVISORY COMMISSION ON STATE
EMERGENCY COMMUNICATIONS**

SUNSET STAFF REPORT

Table of Contents

	PAGE
EXECUTIVE SUMMARY	
.....	1
APPROACH AND RESULTS	
.....	5
ISSUES	
1 Continue the Advisory Commission on State Emergency Communications for 12 Years and Assign it the Role of Speaking for the State's 911 System	11
2 Change the Commission's Membership to Better Support its Present Functions and Provide Public Representation	21
3 Restructure the Funding of the State's 911 Program to Improve Accountability and Strategic Planning	33
4 Maximize Revenue by Improving Collection of the State's Emergency Communication Fees	43
ACROSS-THE-BOARD RECOMMENDATIONS	
.....	51
BACKGROUND	
.....	53
APPENDIX	
.....	77

EXECUTIVE SUMMARY

Executive Summary

The Advisory Commission on State Emergency Communications assists local governments in providing 911 telephone service and, in partnership with the Texas Department of Health, operates the State's poison control information telephone network. The Commission's 911 services are limited to delivery of 911 calls to answering points — not dispatch of emergency services — and are provided through regional councils of governments (COGs). The Commission has no authority over Emergency Communication Districts and cities that have chosen to not be part of the State 911 system. To carry out its 911 and poison control responsibilities, the Commission is staffed by 20 employees and oversees four telephone consumer fees that collected \$38 million in fiscal year 1997.

Sunset staff looked at the structure of the State's emergency communications system and the Commission's efforts to oversee the system. The review focused on the Commission's ability to provide accountability. Staff also examined ways to increase the efficiency of the 911 system and to maximize its resources. The following material describes the results of the review.

1. Continue the Advisory Commission on State Emergency Communications for 12 Years and Assign it the Role of Speaking for the State's 911 System.

- The Commission functions to ensure statewide 911 and poison control services. Without State funding and oversight, rural areas may not have access to emergency communications.
- The Commission also performs the role of addressing changes in technology and the telephone regulatory environment that affect 911 service for the whole state.
- While other agencies perform functions that compliment those of the Commission, no compelling reason could be found to merge the Commission with another agency. The review examined the Public Utility Commission, Department of Public Safety, General Services Commission, and Texas Department of Health, but did not find a suitable candidate for consolidation.

Recommendation

- Continue the Advisory Commission on State Emergency Communications for 12 years.
- Assign the Commission the role of setting statewide direction for 911.

2. Change the Commission's Membership to Better Support Its Present Functions and Provide Public Representation.

- The Commission has 16 members — 12 appointed and four ex officio members. Appointed members include representatives of the three largest telephone companies; a city, a county, and an Emergency Communication District; and six non-specified appointments. Ex officio representatives include the Department of Public Safety, Criminal Justice Policy Council, Texas Department of Health, and the Texas Association of Regional Councils.

4. Maximize Revenue by Improving Collection of the State's Emergency Communication Fees.

- For all but one of the emergency fees, telephone companies are permitted to hold the State's revenue for 60 days and earn a 2 percent administrative fee. To ensure proper and timely remittance, the Commission audits telephone companies and assesses late payment penalties. The Comptroller's Office may audit for emergency fees when conducting other telephone company audits.
- Collecting emergency fees costs the State's emergency communications programs more than \$1 million annually because of long remittance periods and high administrative fees.
- Audit coverage of telephone companies is insufficient to ensure proper fee remittance.
- Poor enforcement of late payment penalties has resulted in delinquent fee remittance and loss of fine revenue.

Recommendation

- Shorten remittance periods to 30 days.
- Reduce administrative fees to 1 percent.
- Transfer auditing responsibility and authority to assess and collect late payment penalties to the Comptroller of Public Accounts.

Fiscal Impact Summary

These recommendations are intended to enable the Commission to better serve its function within existing resources while maximizing revenue for 911 and poison control services. Reducing the Commission's size would result in a small savings to the General Revenue Fund due to decreased travel and other expenses of members. Bringing all emergency fees into the State Treasury would increase interest revenue available to 911 and poison programs and create a one-time gain in the amount of funds available for certification in the General Revenue Fund. Finally, the recommendation to improve collection of emergency fees would result in a gain to a dedicated account in the General Revenue Fund because of shorter remittance periods and lower administrative fees. This recommendation would also create a savings to the General Revenue Fund because the Commission would no longer need to contract for telephone company audits. The total fiscal impact of these recommendations is \$4,219,500 in the first year.

APPROACH AND RESULTS

Approach and Results

Approach

The Advisory Commission on State Emergency Communications strives to improve public safety by assisting local governments to build and maintain 911 emergency telephone systems and by providing statewide telephone access to poison control centers. To achieve its mission, the Commission oversees the collection of \$38 million annually in telephone subscriber fees; reviews, approves, and funds local regional plans for 911 services; and manages, in conjunction with the Texas Department of Health (TDH), the Poison Control Network.

Through its enabling statute, the Commission's role in the 911 system is limited to telephone call delivery to locally-run answering points. The Commission has no responsibility over dispatch of emergency services, such as police, medical services, and firefighters. The Commission is also limited to overseeing 911 services operated by regional councils of governments (COGs). The Commission has no authority over 911 services provided by the 27 Texas cities and 24 county-wide Emergency Communication Districts that operated 911 systems before enactment of the Commission's statute and have chosen to not be a part of the State system.

The Legislature created the Commission in 1987 with a goal of ensuring that all parts of the state be covered by 911 service by 1995. The Commission met this mandate in September 1997 when Texas became one of the first states with statewide 911. Today, an estimated 8.5 million calls are made to Texas 911 answering points each year.¹

Since its creation, the Commission has experienced fundamental changes in its mission. The Commission's current role in maintaining the State's 911 system is very different from its original role of implementing the system. The Legislature has also added poison control to the Commission's responsibilities, charging it with creating and operating a poison control telephone system jointly with TDH. Deregulation and increased competition have brought further changes to the telephone regulatory environment in which 911 systems operate. The explosion in the number of local telephone providers — from just a few in a regulated monopoly environment to more than 150 providers today — challenge the Commission to ensure that all telephone companies provide subscribers with 911 access. In addition,

The Commission's mission has fundamentally changed from building to maintaining the 911 system, and operating a poison control network.

Worked with staff of the State Auditor's Office, Legislative Budget Board, State Comptroller's Office, and House Appropriations Committee;

- Met with key legislators and their staff;
- Attended the agency's legislative appropriations hearings in the 1997 legislative session as well as an appropriations request hearing for the 1999 session;
- Attended a meeting of the House State Affairs Committee Interim Subcommittee on Regional Planning Commissions;
- Met with staff of the Public Utility Commission, General Services Commission, Department of Health, Criminal Justice Policy Council, and Department of Public Safety;
- Conducted interviews with and solicited written comments from representatives of councils of governments, Emergency Communication Districts, cities with 911 systems, poison control centers, and the telephone industry;
- Made field visits to the Austin Police Department's 911 answering center, North Texas Poison Center in Dallas, Heart of Texas Council of Governments, McLennan County Emergency Assistance District, Greater Harris County 911 Emergency Network, and Houston-Galveston Area Council;
- Reviewed state statutes, court decisions, legislative committee reports, previous legislation, federal statutes, federal legislation, Attorney General opinions, and dockets of the Public Utility Commission and the Federal Communications Commission;
- Reviewed reports by the State Auditor's Office, the Texas Performance Review, Legislative Budget Board, and House Appropriations Committee;
- Reviewed agency documents, reports, publications, and internal audits; and
- Examined the structure and funding mechanisms of emergency communication systems in other states.

State support of
emergency
communications is
necessary for their
continuation.

Results

The Sunset review of the Commission started by asking the threshold question of whether the functions performed by the agency continue to be needed. The Commission functions to help protect public safety by assisting regional governments to upgrade and maintain 911 systems and by providing

on telephone users, each fee is collected and remitted in different ways and only one fee is held in the State Treasury and appropriated by the Legislature. To control the spending of State 911 funds, the Commission requires COGs to submit five-year spending plans for approval. The review found that these plans do not contain standard contractual provisions, but are simply loose agreements between the State and COGs. The review concluded that the accountability of COGs to the Commission and of the Commission to the Legislature would be improved by holding all the fees in the State Treasury. The review also found that accountability and planning would be improved by having the funds allocated through the legislative appropriations process and by creating and enforcing contracts between the Commission and COGs. Issue 3 gives further detail about how this process could be improved.

The examination of the Commission's funding structure also yielded information about ways in which emergency communications revenues could be increased by improving fee collection. In addition to the three 911 fees, the Commission also collects a telephone-based poison control fee. All four fees are paid by telephone users and collected by telephone companies. The statute that creates these fees, however, established differences in how the fees are remitted by the telephone companies. The review found that resolving the differences in remittance periods and in administrative fees paid to telephone companies could maximize emergency communications funding. The review also examined the methods by which the Commission audits the phone companies for compliance with remittance laws. Issue 4 discusses these suggested improvements to the Commission's funding structures.

Accountability of the 911 system would be improved by holding all State 911 fees in the State Treasury and by allocating the funds through the legislative appropriations process.

Recommendations

1. Continue the Advisory Commission on State Emergency Communications for 12 years and Assign It the Role of Speaking for the State's 911 System.
2. Change the Commission's Membership to Better Support its Present Functions and Provide Public Representation.
3. Restructure the Funding of the State's 911 Program to Improve Accountability and Strategic Planning.
4. Maximize Revenue by Improving Collection of the State's Emergency Communication Fees.

Fiscal Impact

The recommendations in this report would improve the agency's ability to manage the State's 911 and poison control services with existing resources. Reducing the Commission's membership from 16 to nine members would

ISSUES

Issue 1

Continue the Advisory Commission on State Emergency Communications for 12 Years and Assign it the Role of Speaking for the State's 911 System.



Background

The Advisory Commission on State Emergency Communications assists local governments in providing 911 emergency telephone service. The Commission also, in partnership with the Texas Department of Health (TDH), operates a poison control telephone service throughout Texas.

Texas' 911 system is operated by local governments through regional councils of governments (COGs). Texas cities and counties which established their own 911 systems before the creation of the Commission in 1987 continue to operate their systems outside of the Commission's jurisdiction and funding. By statute, the Commission's role is limited to providing only the telecommunications aspects of 911 — not emergency services or their dispatch. To fund the State's 911 system, the Commission assesses fees on consumer telephone bills. The Commission also uses funds raised by a surcharge on intrastate long distance to equalize 911 service across the state.

The Commission administers the State's poison control service system by establishing the telecommunication network that links poison control answering centers and by providing funding for the system through a second intrastate long-distance surcharge.

In a Sunset review, continuation of an agency and its functions depends on certain conditions being met, as required by the Sunset Act. First, a current and continuing need should exist for the state to provide the functions or services. In addition, the functions should not duplicate those currently provided by any other agency. Finally, the potential benefits of maintaining a separate agency must outweigh any advantages of transferring the agency's functions or services to another agency. The evaluation of the need to continue the Commission and its functions led to the following findings.

Texas' per-person urban areas where funding is available and the per-person cost of service is low. In contrast, the Commission's 911 service areas are largely rural areas, where, because of the low density of population, the ability of the citizens to provide 911 funding is diminished and the cost of providing 911 services is high. For example, 18 of the state's 24 COGs currently require supplemental funding through the Commission's equalization surcharge. The map, *The Commission's 911 Service Areas*, shows the Commission's jurisdictional areas that cover 90 percent of Texas' land mass but only 37 percent of the state's population.⁶

- State oversight of 911 is also needed. The Commission establishes uniform standards for COGs to follow in operating 911 answering centers and enforces these standards through a detailed, regional planning process. The Commission then audits the spending records of COGs to ensure that 911 services are actually implemented according to the Commission's rules and standards. Without these standards and accountability of local governments to the Commission, State 911 funding could be diverted to other pressing needs, thereby lowering 911 services.
- State funding and control of the Poison Control Network is needed to ensure that all Texans have access. Before creation of the network, one county and one university hospital provided these services. Because of the high cost of operation, the county center at Parkland Memorial Hospital in Dallas was forced to restrict access to callers from other counties, which, in turn, overloaded the university-based center at the University of Texas Medical Branch in Galveston.

The Legislature's establishment of a surcharge on intrastate long-distance calls ensured adequate funding for poison control services. With this funding, the Commission, in partnership with TDH, has established six poison control centers across the state and has built a telephone network to link the centers. State coordination of the centers ensures that poison calls are answered on a 24-hour-a-day basis and that calls going to an overloaded center are automatically rerouted to a less busy answering point. Today, the Texas Poison Control Network is a model for the nation, but without continued State funding and oversight, the network would not continue to exist.

The Texas Poison Control Network, which is a national model, is dependent on continued State funding and oversight.

▼ **State oversight is also needed to address the effects of changes in technology and telephone regulation on the 911 system.**

- ▶ As a result of changes in technology and in the telecommunications industry, the Commission has assumed a role in addressing challenges that face the entire 911 system — both for areas under the State's jurisdiction and the cities and counties that are not. While this role is not explicitly envisioned in the Commission's statute, a single spokesperson is needed so that regulatory agencies do not receive mixed messages from several sources.
- ▶ Telephone technology changes — particularly the growth in use of wireless phones — has an important impact on 911 systems. Because of their mobile nature, wireless phones present a problem for 911 call takers in ascertaining a caller's location. To address this problem, the Commission has become a party to Federal Communications Commission (FCC) rulemakings and has served as a resource to the Texas Legislature on wireless issues. Based partly on the Commission's input, the FCC issued a rule to require wireless providers to transmit location information to 911 systems if state or local funding is available to help pay the cost of this location information.

The Commission also provided input to the Legislature, in 1997, when it considered and passed legislation that provided funding for implementing wireless phone location information systems. The Commission continues to actively test wireless phone information systems and plan for the deployment of a wireless solution in the 911 network.

- ▶ State deregulation of the telephone industry has also greatly affected the 911 system. When the Commission was formed, Southwestern Bell and GTE served most of Texas in a regulated, monopoly environment. Today, many Texans may choose among some 150 alternative telephone providers operating in Texas, though not in all regions of the State.⁷ This deregulated environment creates a number of challenges for the 911 system, primarily in ensuring that all of these new telephone companies provide their customers with access to 911. To meet this need, the Commission formed a task force of 911 professionals, both inside and outside of the State

Changes in telephone technology and regulation have put the Commission in the role of speaking for the entire 911 system — not just the parts under its jurisdiction.

▼ The review did not find workable alternatives for combining the Commission with another agency that would achieve substantial cost savings or other tangible benefits.

- ▶ Operating efficiencies could result from consolidating the Commission's staff with a larger state agency that has similar functions. Eliminating administrative overlap by combining support functions such as accounting, payroll, personnel, and computer support could result in savings. However, these savings would not be so great as to warrant consolidation.
- ▶ Analysis of whether the Commission should remain an independent agency usually focuses on consolidating the Commission with one of four other state agencies, the Public Utility Commission, Department of Public Safety, General Services Commission, and the Texas Department of Health, to achieve a level of consolidated functions that would benefit the 911 system. The Sunset staff review did not find any of these agencies to be suitable for consolidation with the Commission. A discussion of the pros and cons of consolidation with each of these state agencies is provided in the following material.

Public Utility Commission

Because the work of the Commission is heavily involved with telecommunications, the review examined the Public Utility Commission (PUC), as the state authority on telephone regulation, as a consolidation option. Although PUC has knowledge of and regulates local exchange telephone companies, it has few regulatory controls over wireless companies. Even though this technology is relatively new, 911 calls from wireless phones already account for about 30 percent of all 911 calls.¹¹ This percentage is expected to grow rapidly and indicates that PUC may not always be able to provide the type of telecommunications expertise that the 911 system requires.

PUC also has only limited experience in dealing with local governments and in monitoring purchasing and contracting functions. In addition, PUC is a regulatory agency principally concerned with setting rates for regulated utilities and the addition of a program management function, such as

While operating efficiencies could result from consolidating the Commission with a larger state agency, savings do not warrant consolidation.

such as the FCC and PITC, the statute does not clearly assign the Commission this responsibility. Clarifying the statute would ensure that the Commission represents the whole 911 system and that it should be active on behalf of the state as a whole in regard to regulatory changes that could affect service.

- ▶ The Commission has also played an active role in coordinating the whole 911 system in areas such as purchasing. For example, the Commission is currently pursuing a multi-million dollar contract for a statewide database of telephone number and location information. The Commission intends to make this database contract available to 911 authorities outside the State system.
- ▶ While the role of coordinating the whole 911 system is not explicitly assigned to the Commission, greater efficiencies and cost savings can result from these efforts — both for the system managed by the Commission and for the independent Emergency Communication Districts and cities. Because the make-up of the Commission includes representatives from within and outside of the State 911 system, it is ideally designed to speak for the entire 911 system.

Conclusion

The review of the Commission found its functions — 911 system management and poison network operation — continue to be needed in Texas and that the State has a continuing interest in providing the functions. The review examined whether these functions could benefit from consolidation into a larger agency and found that few benefits would accrue from such a consolidation. The review concluded that the 911 system would benefit from designating the Commission as the spokesperson for the 911 system.

Recommendation

Change in Statute

- **Continue the Advisory Commission on State Emergency Communications for 12 years.**

This recommendation would continue the Commission for the usual 12-year Sunset cycle and would establish a new Sunset date of September 1, 2011.

Issue 2

Change the Commission's Membership to Better Support its Present Functions and Provide Public Representation.



Background

A 16-member Commission, with 12 appointed members and four ex officio members, governs the Advisory Commission on State Emergency Communications (Commission). Of the 12 appointed members, eight are selected by the Governor, two by the Lieutenant Governor, and two by the Speaker of the House. Each appointed member serves a staggered, six-year term. The current members of the Commission, along with their statutory requirements for appointment, are shown in the textbox, *Membership of the Advisory Commission on State Emergency Communications*.

The major duties of the Commission include implementation of statewide 911 service and poison control centers, development of minimum standards for 911 equipment and operations, and approval and allocation of funds to implement regional 911 operating plans.

The Commission appoints its Chair, hires the agency's Executive Director and other staff, and has established two standing committees — Programs and Operations — to assist in managing its affairs.

The review of the Commission's structure focused on whether the current membership requirements are best suited to guide the Commission in carrying out its current mission of maintaining the 911 system.

The Commission implements and manages the State's 911 and poison control systems.

Findings

- ▼ The Commission's composition has not been modified to reflect the change in its mission from establishing a statewide 911 system to one of maintaining the system.

- As originally structured in 1987, the Legislature charged the Commission with responsibility for designing and implementing a new, statewide 911 system by 1995. The Commission succeeded in creating one of the first statewide

911 systems in the nation. To accomplish this goal, the Legislature designated several specific slots on the Commission. For example, three telephone company representatives were included on the Commission to provide the technical expertise in telecommunications systems that only telephone companies were thought to have.

The Legislature also provided for representation of state agencies by including, as ex officio members, the designees of the agency heads of the Criminal Justice Policy Council (CJPC), Department of Public Safety (DPS), and Texas Department of Health (TDH). Also included as an ex officio representative is the Executive Director of the Texas Association of Regional Councils. Representatives of local and regional government, and county commissioner's courts were also included.

- ▶ Since accomplishing its legislative goal of establishing a statewide 911 system, circumstances have resulted in a new role for the Commission — maintaining, not creating, the 911 system. These circumstances include complications to the 911 system arising from new telephone technologies, such as cellular phones, and increased competition in the telephone industry, which has fostered the creation of many new local exchange phone companies. The need for the Commission to remain as an independent state agency is discussed in greater detail in Issue 1 of this report.
- ▶ The Commission's new role of maintaining the 911 system necessitates a different structure than in the beginning, when the agency was focused on establishing the system. Telephone representatives may have been appropriate when the Commission was created. Then, a single phone company operated in each region of the state and no competition existed for the equipment and services needed by the 911 system. Today, because many phone companies are directly competing for the business of selling equipment and services to the 911 system, representation of specific telephone companies is no longer appropriate. In addition, the agency has developed its own expertise in 911 telephone systems and is no longer reliant on the knowledge provided by telephone company representatives.

The Commission's membership has not changed to reflect its on-going mission of managing the State's emergency communications systems.

For example, the Commission has been involved in litigation and audits of GTE over the proper remittance of 911 fees collected by the company. These negotiations required the Commission's GTE representative to recuse himself from each meeting at which this issue was discussed. During the seven Commission meetings held in fiscal year 1998, Commission members had to recuse themselves 11 times for this and similar circumstances in which they had an interest in the Commission's decisions. In one instance, a member recused himself from the discussion and then addressed the Commission as a representative of his telephone company.³

- D** The Commission structure also has a unique clause reserving a seat for the Executive Director of the major association representing regional planning councils. These regional councils, commonly referred to as councils of governments (COGs), are voluntary regional associations of counties, cities, and other local governments. The boards of directors of COGs are composed of the elected officials of each member government. Because only one group meets the statutory definition, this seat has always been held by the Executive Director of the Texas Association of Regional Councils. While COGs play an important role in the 911 structure by creating and implementing regional 911 plans, providing for representation by an employee of a trade association on a state board or commission is unusual.

The Commission's
 structure, reserving a
 seat for an
 association — the
 Texas Association of
 Regional Councils —
 is unusual.

- ▼** The Legislature has expressed its interest in structuring policymaking bodies to preclude vendor involvement, avoid conflicts of interest, facilitate policymaking, and include members of the public.

- D** A common-law doctrine holds that state agency boards may not authorize purchases or enter into contracts in which a member has a financial interest.⁴ Attorney General opinions have repeatedly held that this rule applies to even small and indirect financial interests and that recusal of board members from discussions does not validate the purchase or contracts. Despite the presence of three telephone company representatives, the Commission has taken the approach that this doctrine does not apply to its purchases and contracts because, when the Commission was first formed, rates for 911 services and equipment were a product of a statutorily-

While the work of the Commission is technical, experience has shown that public members are fully capable of making decisions even in technical areas. For example, the Finance Commission, which oversees state regulation of banks, savings banks, and lending institutions, is composed of a majority of public members. Other state agencies with a majority of public members include the Texas Alcoholic Beverage Commission and the Public Utility Commission.

▼ **Restructuring the policymaking body for Texas' emergency communications system would improve its decisionmaking ability.**

- Removal of vendor representatives and interest group members could improve the Commission's decisionmaking by reducing the number of times members must recuse themselves from the Commission's numerous meetings and votes, and by removing public doubt of the Commission's decisions.

The important role that telephone company representatives played when setting up the State's 911 system could be filled by adding additional technical expertise. The state agency with the most telecommunications knowledge is the Public Utility Commission (PUC). Currently, the Commission often looks to PUC for advice and assistance in dealing with the intricacies of a deregulated telephone industry environment. Placing the Executive Director of PUC, or a designee, on the Commission as a non-voting member could ensure that knowledge of the telephone industry is maintained at the Commission.

The Commission could also benefit from expertise in purchasing — particularly telecommunications purchasing. The agency that manages the State's internal telecommunications system is the General Services Commission (GSC). Currently, the Commission often looks to GSC for advice in purchasing telecommunications services and equipment. GSC provides all of the telecommunications services of the Poison Control Network by contract with the Commission and is managing contract negotiations for the Commission's project to establish a statewide database for telephone subscriber name and location information. Placing the Executive Director of GSC, or a designee, on the

Public members have effectively filled positions on boards with technical functions such as regulation of financial institutions and public utilities.

- Add the Executive Director of the General Services Commission, or a designee, as a non-voting *ex officio* member; and
- Specify that five members represent the general public.

This recommendation would reduce the Commission's composition to nine, voting members. The Governor would continue to appoint one board member who is a member of a county commissioner's court, one who is a member of a municipal governing body, and one who is a director of an Emergency Communication District. The new composition of the Commission is reflected in the textbox, *Recommended Commission Composition*.

The voting membership of the new Commission would be made up of a majority of public members. Statutory language defining public members would be placed in the Commission's enabling statute to ensure that public members actually represent the public.

The important role that councils of governments play in the State's 911 system require that COGs continue to be represented on the Commission. This representation would come from a member of a COG governing body, not from that of a paid representative.

The degree of expertise provided by three telephone company representatives is no longer needed as the 911 system is complete throughout the state. Adding a representative of PUC would ensure that the Commission continues to have telecommunications expertise and adding a representative of GSC would boost the Commission's expertise in managing contracts and in competitive procurements. Because the Commission will continue to jointly administer the Poison Control Network with the Department of Health, retention of the TDH representative is necessary. However, TDH's point of view can be presented by a non-voting representative.

Recommended Commission Composition

Five members appointed by the Governor

- One member representing a COG governing body,
- One member representing an Emergency Communication District,
- One member representing a county government,
- One member representing a municipal government, and
- One public member.

Two public members appointed by the Lieutenant Governor.

Two public members appointed by the Speaker of the House.

Three non-voting ex officio state agency representatives

- The Executive Director of the Public Utility Commission, or designee,
- The Executive Director of the General Services Commission, or designee, and
- The Commissioner of the Department of Health, or designee.

Issue 3

Restructure the Funding of the State's 911 Program to Improve Accountability and Strategic Planning.



Background

The Advisory Commission on State Emergency Communications (Commission) funds 911 services through fees assessed on telephone bills. The Commission funds only the implementation and maintenance of telephone systems to connect callers with 911 answering points. Dispatch of emergency responders, such as police, fire, and emergency medical services, is the responsibility of local governments.

All areas of the state do not participate in the Commission's 911 program. Seventy-five local entities provide 911 services, including 24 councils of governments (COGs), 24 Emergency Communication Districts, and 27 cities. The Commission only oversees 911 services provided by the COGs, not those provided by Emergency Communication Districts or cities.

Three different fees pay for the State's 911 program, including an Emergency Service Fee, Wireless Service Fee, and 911 Equalization Surcharge. In fiscal year 1997, these three sources generated more than \$31 million in revenue. The Commission also collects the Poison Control Surcharge to fund the operation of the state's six poison control centers, but this surcharge will not be addressed in this issue.

Each of the State's three 911 funding sources has unique characteristics which are compared in the table, 911

911 Services Funding Methods			
	Emergency Service Fee	Wireless Service Fee	911 Equalization Surcharge
Amount raised in Fiscal Year 1997	\$20,311,359	\$4,470,807 distributed to COGs	\$6,706,976
Levied on	Standard telephone service	Wireless telephone service	Intrastate long-distance calls
Rate	Maximum of 50 cents per telephone line, per month; may vary by COG but currently at maximum in all 24 COGs	50 cents per wireless connection, per month	Maximum of 0.5 percent of toll; currently set at 0.3 percent
Rate set by	Commission with review and comment by PUC	Legislature	Commission with review and comment by PUC
Remitted to	Individual COGs	Commission	Commission
Kept in State Treasury?	No	No	Yes, since 1993

plans; which must be updated annually, include cost estimates for administration, equipment, service upgrades, addressing projects, and public education. The agency's staff reviews the plans to make sure they include all the information the Commission needs to approve or disapprove the plan. Once a COG's strategic plan has been approved, it can only spend its 911 revenue according to the plan. The agency's staff also reviews each COG's quarterly financial report to ensure the 911 money is being spent appropriately.

In its review of the Commission's funding structure, the Sunset staff focused on the use of State funds devoted to the 911 system. This required an examination of the differences in each of the funding sources of the 911 system. Specifically, the staff focused on the ability of the Commission and Legislature to ensure that 911 funds are spent appropriately.

Findings

▼ The Emergency Service Fee and Wireless Service Fee are State fees.

- ▶ Although the Emergency Service Fee is remitted directly to the 24 COGs, it is imposed by State law. The Wireless Service Fee is also a State-imposed fee, yet it is also held outside the State Treasury and distributed to the COGs almost immediately after remittance to the Commission. Because both fees are established under the Commission's enabling statute, and the COGs' enabling statute prohibits them from levying taxes, these fees are clearly State fees.


- ▶ Rate setting and auditing for 911 fees are the responsibility of the State. The Emergency Service Fee is set by the Commission with oversight from the Public Utility Commission, and the Wireless Service Fee is set by the Legislature. Responsibility for auditing telephone companies to ensure proper remittance of 911 fees and surcharges is assigned by statute to the Commission.


▼ The lack of contractual provisions in the strategic planning process limits the Commission's ability to account for how COGs spend the State's 911 funds.


- ▶ Despite a time-consuming process of developing and approving strategic plans, this process allows only limited Commission oversight of how the COGs spend State 911 funds.

911 fees are established in State law and are, therefore, State fees.


The textbox, *Subcontracting in the Statewide Addressing Project*, provides an example of the inadequate monitoring of the contracts for the statewide addressing project.

- 
 The Commission cannot ensure that COGs are getting the best value when purchasing telecommunications equipment because the planning process does not require competitive purchasing procedures. Since 1993, COGs have purchased or leased \$96 million of telecommunications equipment primarily from the state's two largest local exchange telephone companies, Southwestern Bell and GTE.⁶ The COGs were allowed to purchase this equipment according to a tariff. This is a standard list of prices negotiated by the Public Utility Commission, which does not include volume buying discounts. However, many other companies now offer equipment that is competitive in quality and price.

- 
 The lack of useful information in the strategic planning process also limits the Commission's ability to oversee the spending of 911 funds.

- 
 The Commission does not receive accurate financial information from many COGs. After reviewing financial records of all 24 COGs, the State Auditor found that 16 COGs did not comply with the Commission's financial reporting guidelines.⁷

According to statute, the Commission sets the Emergency Service Fee in each COG based on the cost of providing 911 service and allocates supplemental surcharge revenue based on financial need. However, the Commission does not receive accurate financial information from the COGs needed to make these decisions. Better information may have allowed the Commission to reduce the Emergency Service Fee, which is currently set at its maximum in all 24 COGs despite the statewide implementation of 911 service.

- 
 The lack of useful financial information also limits the Commission's ability to plan future spending. Projecting expenditures for five years into the future, as required by the strategic planning process, results in long-range financial

Subcontracting in the Statewide Addressing Project

The Commission began the statewide addressing project in 1989 to facilitate the location of 911 callers by assigning an address to every residence and business in the state. The Commission allocated surcharge revenue to COGs to fund contracts with local governments and businesses to perform the addressing. However, the Commission never developed a comprehensive plan to carry out the project, and so each COG was left to develop and implement its own plan, including subcontracting for the necessary work. As a result, regional costs of addressing projects have varied from 75 cents to more than \$20 per citizen. While parts of the state are complete, the addressing program as a whole is currently three years behind schedule and 37 percent over its initial budget.⁵

The Commission has always set the 911 fee at the maximum in every region of the state.

and set priorities for the State's 911 program and how 911 funds should be spent.

The State also cannot maximize the investment of 911 funds because all are not deposited in the State Treasury. While COGs are required to invest 911 funds in accordance with the State's Funds Management Act, the Legislature has no assurance that these funds receive the highest return possible.

▼ **Other emergency communication funding methods provide greater accountability to the State.**

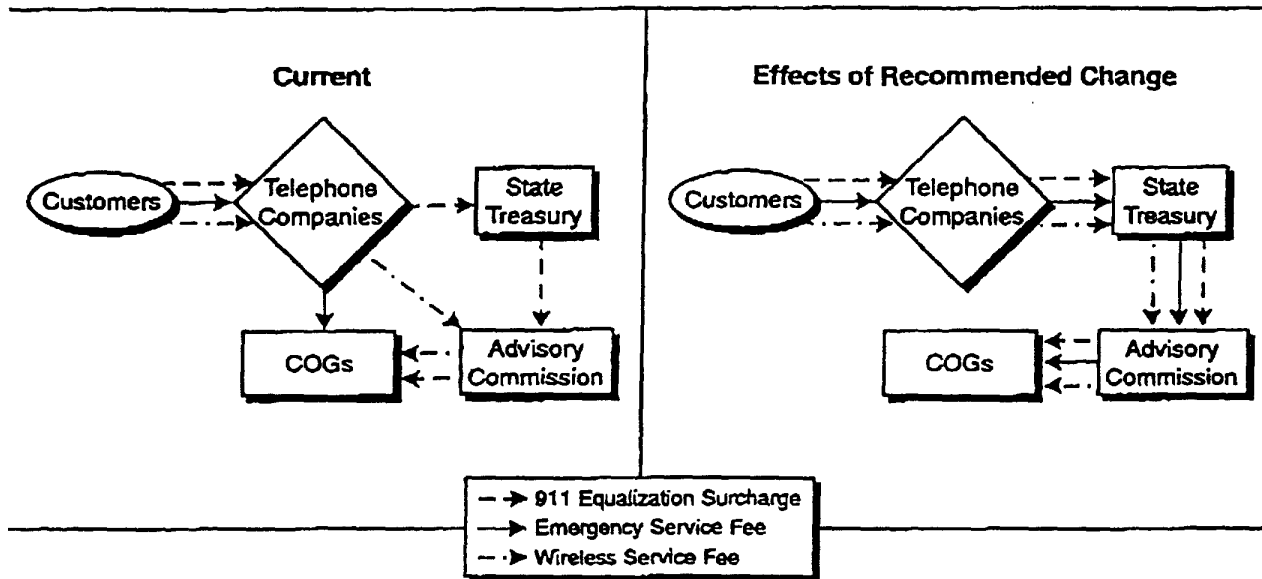
- ▶ In recent years, the Legislature has moved State funds into the Treasury — subject to the appropriations process — to improve accountability. In 1993, the 911 Equalization Surcharge revenue was brought into the Treasury as a result of a recommendation of the State Comptroller's Texas Performance Review. The surcharge money was originally remitted to the Commission but kept outside of the State Treasury, as the Wireless Service Fee revenue is today. The recommendation was made to ensure this 911 program money would be spent to achieve the missions and goals of the State.¹¹

In addition, the State Treasury's expertise provided assurance that the surcharge revenue would be managed and invested properly.¹² The recommendation also established a dedicated fund in the State Treasury for the surcharge revenue to ensure that it would be used for its intended purpose of equalizing 911 service throughout the state.

- ▶ The funding approach for the Poison Control Network, also administered by the Commission, provides greater accountability for the expenditure of State funds. The Commission collects the Poison Control Surcharge from telephone companies, deposits the revenue in a dedicated fund in the State Treasury, and transfers spending authority to the Texas Department of Health (TDH). TDH then makes grants to poison control centers based on approved budgets. In some cases, TDH directly pays the centers' operating bills, such as utilities and rent. Together, TDH and the Commission purchase or contract for items used by all of the centers, such as a poison information database.

Because only 21 percent of the State's 911 funds are appropriated by the Legislature, accountability of 911 is limited.

Comparison of the Flow of Funds in the State's 911 Program



- Clarify that regional plans submitted to the Commission by Councils of Governments include:
 - two years of projected financial operating information, and
 - five years of strategic planning information.
- Require the Commission to biennially prepare a State 911 strategic plan based upon information provided in regional strategic plans and to submit the plan to the Legislature and Governor.

Accountability and long-range planning for the State's 911 system would be strengthened by expanding the strategic planning process and by requiring the Commission to present the 911 system's needs to the Legislature. Current provisions creating regional plans would be clarified to establish that financial projections by COGs would be made for only two years in advance, instead of the current five years, and would coincide with the Commission's biennial legislative appropriations request.

In addition, each COG would be required to submit a five-year strategic plan, which should be a statement of long-range goals, not a financial document. This long-range strategic plan would allow each COG to discuss its visions for 911 service in its region over the subsequent five years, including what existing services are most important to continued success and what initiatives could be taken to improve the system. The Commission would compile these regional strategic plans into a statewide 911 strategic plan for submission to the State's policymakers. This statewide 911 plan would be submitted to the Legislature

COGs, the Commission should take into consideration contractual provisions recommended for all state agency contracts, such as those listed in the appendix. This appendix contains the table, *Best Practice Contract Administration*, which includes standard good government contract provisions.

The Commission should also implement standards for COGs to follow in developing expenditure projections for their regional two-year financial plans. The Commission should require COGs to follow competitive and cooperative purchasing procedures and efficiency standards for 911 answering point operation.

Fiscal Impact

This recommendation will have a positive fiscal impact to the State. A gain in interest revenue would result from placing the Emergency Service Fee and Wireless Service Fee revenue in the State Treasury. This gain would equal \$80,000 in fiscal year 2000 and \$144,000 during each subsequent fiscal year. The estimate was based on projected revenue and interest information provided by the Commission and the Legislative Budget Board (LBB).

A one-time gain in the amount of funds available for certification in the General Revenue Fund would result from this recommendation. This gain would total \$3.3 million from the Emergency Service Fee and \$300,000 from the Wireless Service Fee for the 2000-01 biennium. This one-time gain is based on the assumption that the two fees will be distributed to COGs on a quarterly basis.

These estimates assume revenues of approximately \$20 million from the Emergency Service Fee and \$4 million from the Wireless Service Fee. Based on historical data from the LBB, an average interest rate of 5 percent was applied to the principal to calculate the gain in interest. The estimate assumes no administrative costs to the Comptroller's Office associated with the collection of this fee revenue.

Fiscal Year	Gain to Dedicated Account in the General Revenue Fund	Change in Number of FTEs from Fiscal Year 1999
2000	\$3,680,000	0
2001	\$144,000	0
2002	\$144,000	0
2003	\$144,000	0
2004	\$144,000	0

Issue 4

Maximize Revenue by Improving Collection of the State's Emergency Communication Fees.



Background

Funding for Texas' 911 and poison control systems comes from four telephone-based fees. Two fees are assessed on local telephone service — the Emergency Service Fee and the Wireless Service Fee — and two are assessed on intrastate long-distance calls — the 911 Equalization Surcharge and the Poison Control Surcharge. Telephone companies bill their subscribers for each of these fees and remit the revenue to the 911 system. To compensate for collection costs, State law permits telephone companies to deduct an administrative fee from the total amount collected. Telephone companies are also given a period of time after collection before remitting the funds. The administrative fee and remittance period vary among the fees. The table, *Emergency Services Funding Sources*, compares the State's fees and shows the amount of the administrative fees and remittance periods.

The Advisory Commission on State Emergency Communications has overall responsibility for ensuring that the telephone companies remit the correct amount of the emergency fees. In fiscal year 1997, telephone companies

Emergency Services Funding Sources				
	Emergency Service Fee	Wireless Service Fee	911 Equalization Surcharge	Poison Control Surcharge
Amount raised in Fiscal Year 1997	\$20,311,359	\$4,470,807 distributed to COGs	\$6,706,976	\$6,793,206
Levied on	Standard telephone service	Wireless telephone service	Intrastate long-distance calls	Intrastate long-distance calls
Collected by	Telephone companies	Wireless telephone companies	Long-distance companies	Long-distance companies
Phone Company administrative fee	2%	1%	2%	2%
Phone Company remittance period	60 days	30 days	60 days	60 days

Cost of Collection — Fiscal Year 1997				
Type of Fee	Total Amount Collected	Lost Interest Revenue Due to Remittance Period	Administrative Fee Withheld	Total Cost of Collection
Emergency Service Fee	\$20,311,359	\$182,993	\$414,518	\$597,511
Wireless Service Fee	\$4,470,807	\$20,140	\$45,160	\$65,300
911 Equalization Surcharge	\$6,706,976	\$60,426	\$136,877	\$197,303
Poison Control Surcharge	\$6,793,206	\$61,203	\$138,637	\$199,840
TOTALS	\$38,282,348	\$324,762	\$735,192	\$1,059,954

- ▼ The State has only limited assurance that all emergency fee revenues are being remitted correctly because of insufficient audit coverage and poor enforcement of late payment penalties.

- The Commission has responsibility for auditing telephone companies for proper remittance of emergency fees, including fees remitted directly to the councils of governments (COGs) that administer 911 programs on a regional basis. However, the Commission and its contracted internal auditor are overwhelmed by the need to audit the state's 330 telephone companies that remit more than \$38 million annually to the State's emergency communications program. The auditor was able to audit just seven telephone companies in the past two fiscal years.

A few of the state's telephone companies are especially difficult to monitor due, in part, to their size and sophistication. For example, in 1994, after several COGs noticed a downward trend in emergency fee remittances from GTE, the Commission requested an audit. The auditor discovered that since 1992, due to relocation of GTE's offices, the company had only been remitting estimates of fee revenues, rather than actual amounts collected.² Although GTE has been cooperative in remedying this situation, ensuring that the company remits the proper amounts of fee revenue continues to require a great deal of attention from the Commission, its staff, and the auditor. The fact that the situation went unnoticed for two years shows the inability of the Commission to adequately target its audit activities.

In the past two years, the Commission was able to audit only seven of the 330 telephone companies that collect emergency communications fees.

- Because the costs of the auditor's services often exceed the revenue that was not properly remitted, the Commission has

fee is only 0.5 percent. Originally, the remittance period was 30 days and the administrative fee was 1 percent. However, the Legislature shortened the remittance period in 1983 and reduced the administrative fee in 1987.

- In 1997, the Legislature realized the significance of auditing telephone companies for emergency fee remittances and the burden this placed on the Commission and its staff. The Legislature gave the Comptroller's Office authority to audit telephone companies for emergency fee remittances during scheduled audits of telephone companies.

The Comptroller's Office has already proven successful at auditing emergency fees. In fiscal year 1997, the Comptroller audited three telephone companies and found \$71,000 due to the State. During fiscal year 1998, the Comptroller had four audits of telephone companies in progress with one expected adjustment of \$1.5 million.⁶ To date, the Comptroller's Office has performed these audits without requesting reimbursement from the Commission.

While phone companies earn a 2 percent fee for 911 funds, other businesses only earn a 0.5 percent fee for collecting sales taxes.

Conclusion

The State's 911 and poison control programs are funded through fees collected by telephone companies and remitted to the Commission and the 24 COGs. Telephone companies earn interest on the money by holding it for 60 days before remittance and are permitted to keep a 2 percent administrative fee, except in the case of the Wireless Service Fee. This has resulted in a cost to the State's emergency communications programs of approximately \$1 million per year.

The Commission's efforts to audit telephone companies have been inadequate to ensure proper remittance of the State's emergency fees. Further, while the Comptroller's Office can audit telephone companies for these fees, it is not required to do so and is not currently conducting audits for the Commission. Finally, although the Commission has statutory authority to collect late payment penalties from delinquent telephone companies, it has not done so.

Reducing the remittance period and the administrative fee, improving audit coverage, and enforcing the late payment penalty law would maximize the revenue available to the State's 911 and poison control programs.

Fiscal Impact

This recommendation will have a positive fiscal impact on the State due to the reduced remittance periods and administrative fees. A gain in interest revenue would result from the fees being remitted 30 days sooner than they currently are. A gain would also result from telephone companies keeping a smaller percentage for administrative purposes. Together, these gains would total \$479,500 each year. This estimate assumes revenues of approximately \$20 million from the Emergency Service Fee and \$6.7 million from each of the surcharges. Based on historical data from the Legislative Budget Board, an average interest rate of 5 percent was applied to the principal to calculate the gain in interest.

The total gain to the General Revenue Fund is contingent upon Issue 3 of this report, which recommends that all emergency fees be deposited in the State Treasury. If the fees were not deposited in the Treasury, the gain to General Revenue would total \$192,400 annually, from reduced remittance periods and administrative fees for 911 and poison control surcharges. The remainder of the gain, about \$287,100 annually, would be distributed among the 24 COGs, which receive Emergency Service Fees directly from telephone companies.

This recommendation would also likely result in a positive fiscal impact on the State due to increased audit coverage and collection of late payment penalties. However, the amount of increased revenue cannot be estimated, because the amount of improperly remitted fees and the amount of late penalties the Comptroller may collect cannot be predicted.

Transferring audit responsibility to the Comptroller would result in savings because the Commission would no longer need to contract this function. The amount spent by the Commission to perform audits of telephone companies totaled \$58,500 in fiscal year 1997.⁷ The chart below reflects these savings and the revenue gain to the State assuming the adoption of Issue 3 in this report, bringing all emergency fees into the State Treasury.

Fiscal Year	Gain to Dedicated Account in the General Revenue Fund	Savings to Dedicated Account in the General Revenue Fund	Change In Number of FTEs from Fiscal Year 1999
2000	\$479,500	\$58,500	0
2001	\$479,500	\$58,500	0
2002	\$479,500	\$58,500	0
2003	\$479,500	\$58,500	0
2004	\$479,500	\$58,500	0

ACROSS-THE-BOARD RECOMMENDATIONS

Advisory Commission on State Emergency Communications	
Recommendations	Across-the-Board Provisions
	A. GENERAL*
Apply	1. Require at least one-third public membership on state agency policymaking bodies.
Modify	2. Require specific provisions relating to conflicts of interest.
Apply	3. Require that appointment to the policymaking body be made without regard to the appointee's race, color, disability, sex, religion, age, or national origin.
Apply	4. Provide for the Governor to designate the presiding officer of a state agency's policymaking body.
Apply	5. Specify grounds for removal of a member of the policymaking body.
Apply	6. Require that information on standards of conduct be provided to members of policymaking bodies and agency employees.
Apply	7. Require training for members of policymaking bodies.
Apply	8. Require the agency's policymaking body to develop and implement policies that clearly separate the functions of the policymaking body and the agency staff.
Apply	9. Provide for public testimony at meetings of the policymaking body.
Apply	10. Require information to be maintained on complaints.
Apply	11. Require development of an equal employment opportunity policy.

* Only the general across-the-board provisions apply to the Advisory Commission on State Emergency Communications. Because this agency does not have a licensing function, the across-the-board provisions relating to licensing do not apply.

BACKGROUND

Background

AGENCY HISTORY

Background

The mission of the Advisory Commission on State Emergency Communications (Commission) is to enhance public safety by facilitating the local implementation and maintenance of 911 emergency telephone service, and by providing access to poison control telephone services throughout Texas. The State's role in providing 911 service is limited to the delivery of calls to answering centers and does not include funding for dispatch of emergency services. The Commission assists regional councils of governments (COGs) and their local governments, that choose to be a part of the State's system, to develop regional 911 plans funded through telephone service fees. The Commission also uses funds raised by a surcharge on intrastate long distance to equalize 911 service across the state. In partnership with the Texas Department of Health (TDH), the Commission administers the State's poison control service system by establishing the telecommunication network that links poison control answering centers, and by providing funding through the intrastate long-distance surcharge.

History of 911 in Texas

- | | |
|-------|---|
| 1967 | President's Commission on Law Enforcement and Administration of Justice recommends creation of a single, standard dialing code to make public access to emergency services easier. |
| 1968 | AT&T reserves the dialing code, 911, as the single, easy-to-remember phone number for all emergency services. |
| 1970s | Texas cities begin to develop 911 answering systems. Odessa is first, followed by College Station and Alice. |
| 1983 | Legislature authorizes the creation of special purpose emergency communications districts to coordinate and fund 911 services in metropolitan areas. Harris County creates first county-wide 911 system under the new statutory authority. |
| 1985 | The Legislature grants other metropolitan areas permission to create emergency communications districts.

Responding to a call for statewide 911 coordination, the Legislature also authorizes a temporary study commission, the Advisory Commission on State Emergency Communications, to study the feasibility of consistent statewide 911 service. |
| 1987 | To date, a total of 24 Emergency Communication Districts have been formed. Another 27 cities have established 911 systems.

Following its study of 911, the Commission recommends forming a permanent 911 Commission. The Legislature passes HB 911 giving the Commission state-agency status and permitting local governments to join the State's system through their local council of governments. To fund the system, the Legislature created a 911 service fee and a surcharge on intrastate long-distance calls. The bill also exempts the existing 24 Emergency Communication Districts and 27 cities with established 911 systems from compliance with statewide standards. |
| 1997 | The Legislature levies a 911 service fee on cellular phones.

The Commission achieves its legislative goal of extending 911 service throughout Texas. |

Design of Texas' 911 System

Texas has three separate levels of government that provide 911 services: councils of governments, Emergency Communication Districts, and cities. Although the Commission only oversees the 911 efforts of COGs, the Commission has some limited oversight of Emergency Communication Districts and cities that accept Commission grants.

Councils of Governments (COGs)

COGs are regional planning councils composed of member governments that have voluntarily joined together under authority granted by state law. Texas' 24 COGs provide 911 services in 224 of Texas' 254 counties, although some of these counties contain home-rule cities that have opted to provide their own services (see Cities, below). COGs also provide other governmental services, such as services for the aging, and environmental and transportation planning. The parts of Texas receiving 911 services from COGs are primarily rural areas. The Commission has direct oversight for 911 services provided by COGs and these services are funded by 911 service fees. COGs are required to submit strategic plans to the Commission containing detailed spending plans and budgetary information. COGs are also eligible for equalization funds raised by a surcharge on intrastate long-distance calls. The map, *Texas Councils of Governments*, shows the state's 24 COGs.

Emergency Communication Districts (Districts)

Twenty-four districts provide 911 service in 29 counties — primarily Texas' metropolitan counties. These 911 operations are overseen by independent governing boards operating under

statutory authority, separate from COG governing structures and oversight from the Commission. Districts exist only to provide 911 service. Districts are not required to conform to standards set by the Commission, do not receive funds raised from the State's 911 service fee, and are eligible to set their own service fees without approval from the Commission. Districts are also eligible to receive equalization grants from the Commission that are raised from the surcharge on intrastate long distance. The map, *Emergency Communications Districts*, shows the state's 24 districts.

Cities

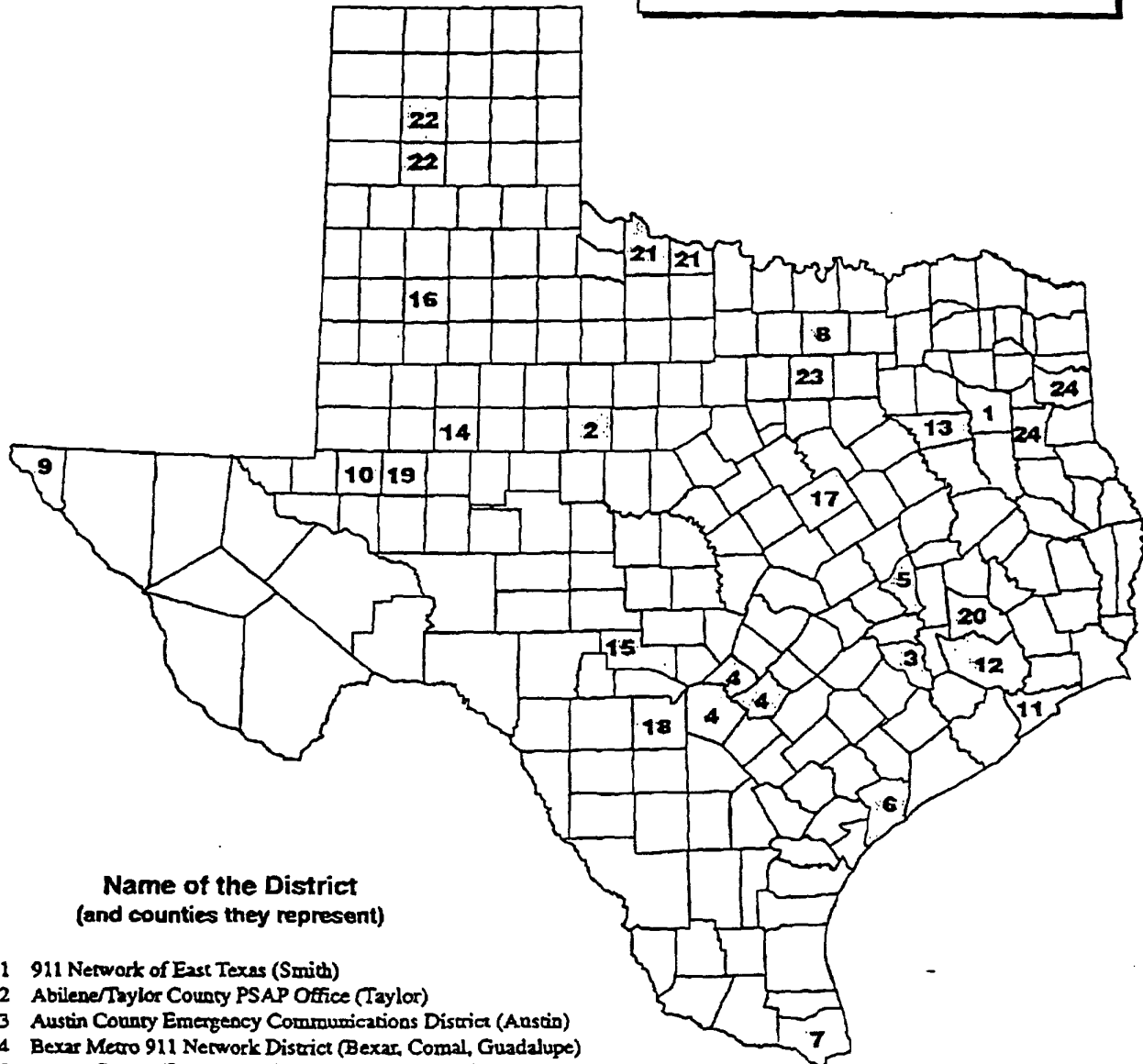
Twenty-seven Texas cities have chosen to provide their own 911 services without direct assistance from the Commission and without forming an

emergency communications district. These cities are located primarily in the Dallas metro area, but also include mid-sized cities in other areas. In these cities, 911 operations are overseen by city councils, which set their own emergency service fees. These cities are also eligible for 911 equalization grants raised by

the surcharge on intrastate long distance. The cities with their own 911 programs are:

Addison	Ennis	Mesquite
Aransas Pass	Farmers Branch	Plano
Cedar Hill	Garland	Portland
Commerce	Glenn Heights	Richardson
Coppell	Highland Park	Rowlett
Dallas	Hutchins	Sherman
Denison	Kilgore	Sunnyvale
DeSoto	Lancaster	University Park
Duncanville	Longview	Wylie

Emergency Communications Districts



Name of the District (and counties they represent)

- | | |
|--|---|
| <p>1 911 Network of East Texas (Smith)</p> <p>2 Abilene/Taylor County PSAP Office (Taylor)</p> <p>3 Austin County Emergency Communications District (Austin)</p> <p>4 Bexar Metro 911 Network District (Bexar, Comal, Guadalupe)</p> <p>5 Brazos County Emergency Communications District (Brazos)</p> <p>6 Calhoun County 911 Emergency Communications District (Calhoun)</p> <p>7 Cameron County Emergency Communications District (Cameron)</p> <p>8 Denco Area 911 District (Denton)</p> <p>9 El Paso County 911 District (El Paso)</p> <p>10 Emergency Communications District of Ector County (Ector)</p> <p>11 Galveston County Emergency Communications District (Galveston)</p> <p>12 Greater Harris County 911 Emergency Network (Harris)</p> <p>13 Henderson County 911 Communications District (Henderson)</p> <p>14 Howard County 911 Communications District (Howard)</p> <p>15 Kerr County Emergency 911 Network (Kerr)</p> <p>16 Lubbock County Emergency Communications District (Lubbock)</p> <p>17 McLennan County Emergency Assistance District (McLennan)</p> | <p>18 Medina County 911 District (Medina)</p> <p>19 Midland Emergency Communications District (Midland)</p> <p>20 Montgomery County Emergency Communications District (Montgomery)</p> <p>21 NorTex 911 Communications District (Wichita, Wilbarger)</p> <p>22 Potter-Randall County Emergency Communications District (Potter, Randall)</p> <p>23 Tarrant County 911 District (Tarrant)</p> <p>24 Texas Eastern 911 Network (Rusk, Harrison)</p> |
|--|---|

The Health and Safety Code sets out the duties and responsibilities of the Commission. Major duties include implementation of statewide 911 service and telecommunications requirements for poison control centers, development of minimum standards for 911 equipment and operations, and approval and allocation of funds to implement regional 911 operating plans. The Texas Board of Health and the Commission jointly adopt rules governing the awarding of grants to fund the operation of regional poison control centers.

The Commission appoints its own Chair and hires the agency's Executive Director and other staff. The Commission has established two standing committees, Programs and Operations, to assist in managing its affairs.

In addition, the Legislature has established a 15-member Poison Center Coordinating Committee to advise the Commission and the Board of Health on poison control issues and to recommend rules governing the operation of the system. The statutory make-up of the coordinating committee is specified in the textbox, *Members of the Poison Control Coordinating Committee*. Since 1995, however, the official membership of the coordinating committee has not met. In its place, the Commission and the Board of Health have appointed an ad hoc committee consisting of the directors and medical directors of the six poison centers and a representative of the Commission's staff and of TDH.

Members of the Advisory Commission on State Emergency Communications

Governor Appointments (eight members)

- a representative from each of the three local telephone service providers serving the most local access lines (currently Southwestern Bell, GTE, and Sprint)
- a member of a municipal body
- a member of a county commissioner's court
- a director of an Emergency Communication District
- two non-specified appointments

Lieutenant Governor Appointments

- two non-specified appointments

Speaker of the House Appointments

- two non-specified appointments

Ex Officio Members, each of which may appoint a designee

- Commissioner of Health
- Director of Department of Public Safety
- Executive Director of Criminal Justice Policy Council
- Executive Director of the major association representing regional planning commissions (Texas Association of Regional Councils)

Members of the Poison Control Coordinating Committee

One member from each of the following entities appointed by each entity's chief executive officer.

- University of Texas Medical Branch at Galveston
- Dallas County Hospital District
- University of Texas Health Science Center at San Antonio
- El Paso County Hospital District
- Amarillo Hospital District
- Scott and White Memorial Hospital
- University of Texas Southwestern Medical Center at Dallas
- Texas A&M University Health Science Center
- Texas Tech University Health Science Center
- Texas Veterinary Medical Diagnostic Laboratory
- Texas Department of Agriculture
- Texas Department of Health
- Advisory Commission on State Emergency Communications

One public member appointed by each of the following boards.

- Texas Board of Health
- Advisory Commission on State Emergency Communications

Emergency Services Funding Methods				
	Emergency Service Fee	Wireless Service Fee	911 Equalization Surcharge	Poison Control Surcharge
Purpose	Funds 911 service access	Funds 911 service access from wireless phones	Supplements emergency service fees in high-cost areas	Funds operations of poison control centers
Levied on	Standard telephone service	Wireless telephone service	Intrastate long-distance calls	Intrastate long-distance calls
Rate	Maximum of 50 cents per telephone line, per month; may vary by COG but currently at maximum in all 24 COGs	50 cents per wireless connection, per month	Maximum of 0.5 percent of toll; currently set at 0.3 percent	Maximum of 0.8 percent of toll; currently set at 0.3 percent
Rate set by	Commission with review and comment by PUC	Legislature	Commission with review and comment by PUC	Commission with review and comment by PUC
Collected by	Telephone companies	Wireless telephone companies	Long-distance companies	Long-distance companies
Remitted to	Individual COGs	Commission distributes to 911 authorities based on population	Commission distributes to 911 authorities based on need	Commission transfers to TDH, which grants to poison centers
Phone Company administrative fee	2%	1%	2%	2%
Phone Company remittance period	60 days	30 days	60 days	60 days
Amount raised in Fiscal Year 1997	\$20,311,359	\$4,470,807 distributed to COGs	\$6,706,976	\$6,793,206
Kept in State Treasury?	No	No	Yes	Yes

from this fee is not used to pay for 911 call taker salaries or the dispatch of emergency responders, such as fire fighters, Emergency Medical Services, and police officers, which are funded by local governments through local taxes.

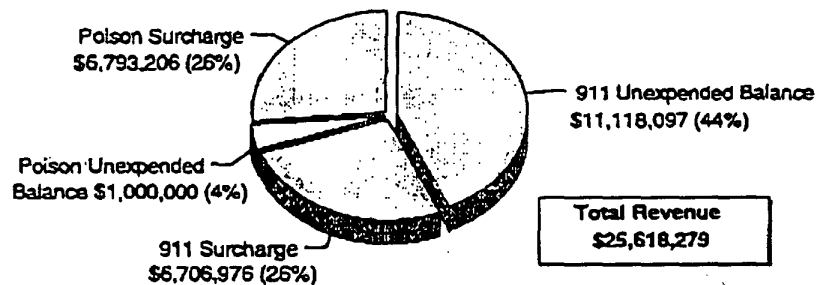
By law, the Emergency Service Fee cannot exceed 50 cents per telephone access line, per month, but it may vary by region. Currently, the Commission has set the fee at the maximum rate of 50 cents in all 24 COGs. Telephone companies collect the fee revenue from their customers and remit it directly to the COGs. The telephone companies may take up to 60 days to remit fees and are allowed to keep 2 percent as an administrative fee. The Commission does not handle the money generated by the Emergency Service Fee and it is not kept in the State Treasury or subject to the legislative appropriations process.

the Commission, minus a 2 percent administration fee, within 60 days. The surcharge revenue is kept in the State Treasury and is part of the appropriations process. The Commission passes the money to the Texas Department of Health, which grants it to the individual poison centers.

THE COMMISSION'S REVENUE

Of the four funding sources discussed above, only the 911 and poison surcharges are part of the Commission's annual appropriation. In 1997, the Commission received approximately \$13.5 million in surcharge revenue. The graph, *Sources of Revenue for the Commission — Fiscal Year 1997*, divides the Commission's funding sources into its component parts. This money came from the 911 and poison surcharge fees collected from intrastate long-distance usage during 1997 or accumulated during the previous 10 years, as reflected in the unexpended balance amounts.

Sources of Revenue for the Commission
Fiscal Year 1997

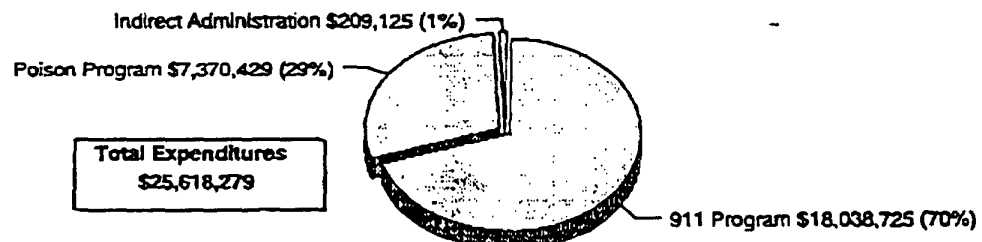


Expenditures

In fiscal year 1997, the Commission's expenditures totaled \$25,618,279. In addition to spending the surcharge revenues, the Commission also expended the majority of its unexpended balances. These expenditures fell into three main categories: the poison program, 911 programs, and administration costs not directly related to either program. The graph,

Expenditures by Strategy — Fiscal Year 1997, shows the amount of expenditures in each of these categories.

Expenditures by Strategy
Fiscal Year 1997

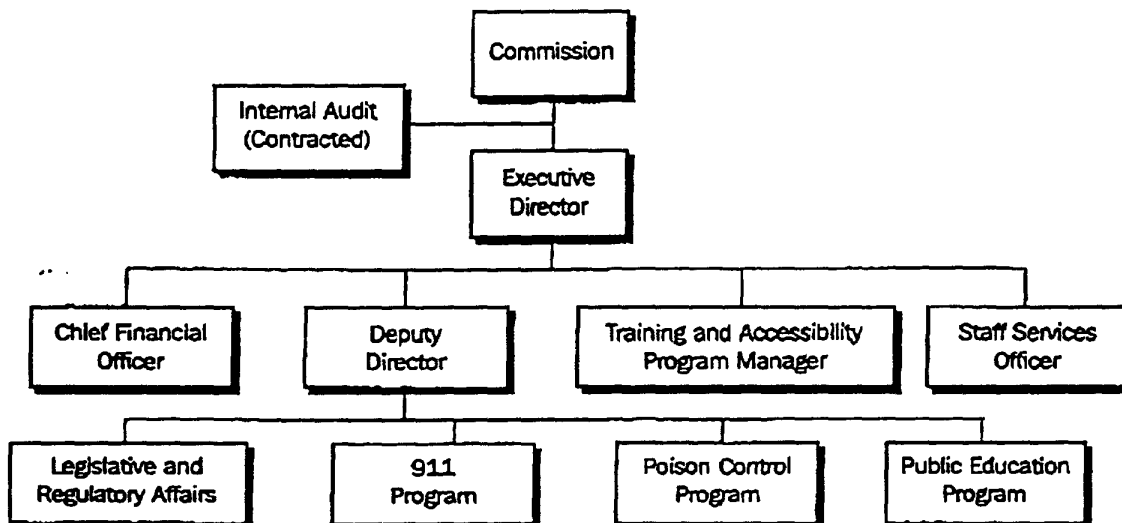


As discussed above, the agency's 911 program is funded through revenues generated from the 911 Equalization Surcharge. The Commission's main expenditure is the distribution of grants to COGs, and other 911 authorities, for 911 activities that cannot be funded through local emergency service fees. During fiscal year 1997, the Commission distributed

ORGANIZATION

The Commission has a staff of 20 employees, all of whom are housed at the agency's headquarters in Austin. The organizational structure of the agency's divisions is illustrated in the chart, *Advisory Commission on State Emergency Communications Organizational Chart*.

**Advisory Commission on State Emergency Communications
Organizational Chart**



The Commission's Executive Director directly oversees the agency's financial and administrative functions, and the training and accessibility program. The Training and Accessibility Program Manager is responsible for recommending training standards for 911 call takers and developing programs to increase the accessibility of 911 services for the hearing impaired. The Executive Director also oversees the Deputy Director who is responsible for the Commission's main functional programs including 911, poison control, and public education, and managing the legislative and regulatory affairs of the agency.

A comparison of the Commission's workforce composition to the minority

Advisory Commission on State Emergency Communications Equal Employment Opportunity Statistics Fiscal Year 1997							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force	Agency	Civilian Labor Force	Agency	Civilian Labor Force
Officials/Administration	7	0%	5%	29%	8%	57%	26%
Professional	1	0%	7%	0%	7%	0%	44%
Technical	6	0%	13%	17%	14%	83%	41%
Protective Services	0		13%		18%		15%
Para-Professionals	0		25%		30%		55%
Administrative Support	8	13%	16%	25%	17%	75%	84%
Skilled Craft	0		11%		20%		8%
Service/Maintenance	0		19%		32%		27%

REVIEW OF REGIONAL PLANS

The major way the Commission controls the part of the 911 system under its jurisdiction is through the review and funding of regional plans. These statutorily-required plans describe how each COG will spend its Emergency Service Fee revenue to implement 911 service in its region in five-year increments, and are referred to by the agency as strategic plans. Commission rules require COGs to update their strategic plans annually and when changes in spending patterns are made. The plans and updates provide detailed financial information about each spending line item in the COG's 911 service area.

The Commission also requires COGs to incorporate the State's standards into the plans. The statute gives the Commission authority to enforce standards for equipment as well as call center operation. In practice, the Commission's standards apply mainly to the call centers. Examples of these standards include the implementation of automatic number identification service, 24-hour per day operation of the call center, redundancy of key telecommunications components, and ability to accept calls from cellular phones. The Commission does not have authority to enforce standards on the training of call takers.

The Commission controls its part of the State's 911 system through the review and funding of regional plans.

The agency ensures adherence to its standards by funding only the conforming items. For example, since the Commission funds only the costs associated with 911 call delivery and not emergency service dispatch, a request for a radio system to connect patrol cars to a dispatch point would not be approved. The Commission also shares costs with local governments on items that have dual use. Examples of dual-use items include computer work stations and tape recorders that may be used for both 911 and dispatch call playback.

DISTRIBUTION OF 911 EQUALIZATION FUNDS

In addition to approving the spending of telephone line fees in the regional plans of COGs, the Commission also distributes 911 Equalization Surcharge funds. This surcharge is intended to supplement areas where the cost of providing 911 service is greater than the revenues generated by the 911 service fee. The Commission collects this charge from all intrastate long-distance calls in all parts of the state, regardless of whether the region participates in the State's 911 system.

Because these funds are assessed across the state, the grants are available to COGs, Emergency Communication Districts, and cities. COGs usually request funds to supplement their 911 service fees because the region is in a rural or high-cost service area. Emergency Communication Districts and

PUBLIC EDUCATION

Educating the public on when to call 911, and what to tell the call taker about themselves and their emergencies, is an important part of any 911 system. The technical sophistication of a 911 system counts for little if the public does not know it exists or how to use it. The Commission surveys the public to determine educational needs and then designs programs to fill those needs. Through this process, the agency focuses its educational activities on children, the elderly, cellular phone users, non-English speakers, and the hearing-impaired. While the Commission designs educational programs, it does not have direct contact with the public. Instead, local 911 authorities bring these educational programs to the public.

The Commission's largest and most successful public education effort is the 911 For Kids program. The goal of this program is to reach every child between the ages of four and seven in the state, using a mascot, Red E. Fox, classroom materials, and videos, to educate children on how to use 911. An example of the Commission's public education material is found in the graphic, *911 For Kids Program Mascot, Red-E. Fox*. Recently the Commission targeted an expansion of the 911 For Kids program directed towards Spanish-speaking and hearing-impaired children. The Commission estimates that, in fiscal year 1997, 911 For Kids reached 250,000 children. Between January and July of 1998, the agency distributed 39,000 classroom kits across the state with each kit containing materials for 25 children - enough to reach every child aged four to seven in Texas.⁶



911 For Kids
Program Mascot,
Red E. Fox

In addition to its statewide public education programs, the Commission also assists COGs in developing their own education programs. To do this, the agency provides presentation materials and handbooks to the COGs' 911 educators and buys bulk educational materials to resell to local 911 authorities, including COGs, Emergency Communication Districts, and cities.

TRAINING OF CALL TAKERS

Rapidly advancing emergency communications technology and high attrition rates among 911 call takers has created a demand for continuous and up-to-date training of call takers. However, the Commission has very limited involvement in 911 call taker education because Texas has not established training standards for this specialized area of public safety communications. While the agency cannot set training standards or certify call takers, it does recommend minimum training standards to all entities in the 911 system on a voluntary basis. These recommended standards are developed with assistance from national 911 associations. In cooperation with the Texas Commission on Law Enforcement Officer Standards and Education and the

communication needs. In other cases, the Commission has provided comment on telephone dockets before the PUC and FCC.

Poison Control Services

The Legislature created the Texas Poison Control Network in 1993 in an effort to provide an easily-accessible emergency response to the public in case of accidental poisonings and exposures to potentially harmful substances. The mission of the Network is to:

- reduce the frequency, severity, and cost of poisonings in Texas;
- provide information on the toxicity of various substances and assist in the treatment of poisoned patients;
- educate health care professionals and the citizens of Texas about poisons; and
- support research in toxicology through the collection of data about poisonings.

To accomplish its mission, the Network provides 24-hour, toll-free access to poison treatment information to both the public and health professionals through its statewide telephone number, 1-800-POISON-1. The Network also promotes poison awareness and prevention education and participates in the training and education of health care professionals. Another function of the Network is to share its knowledge of toxicology and poisoning data with the health care industry to improve the treatment and reduce the effects of exposures to harmful substances.

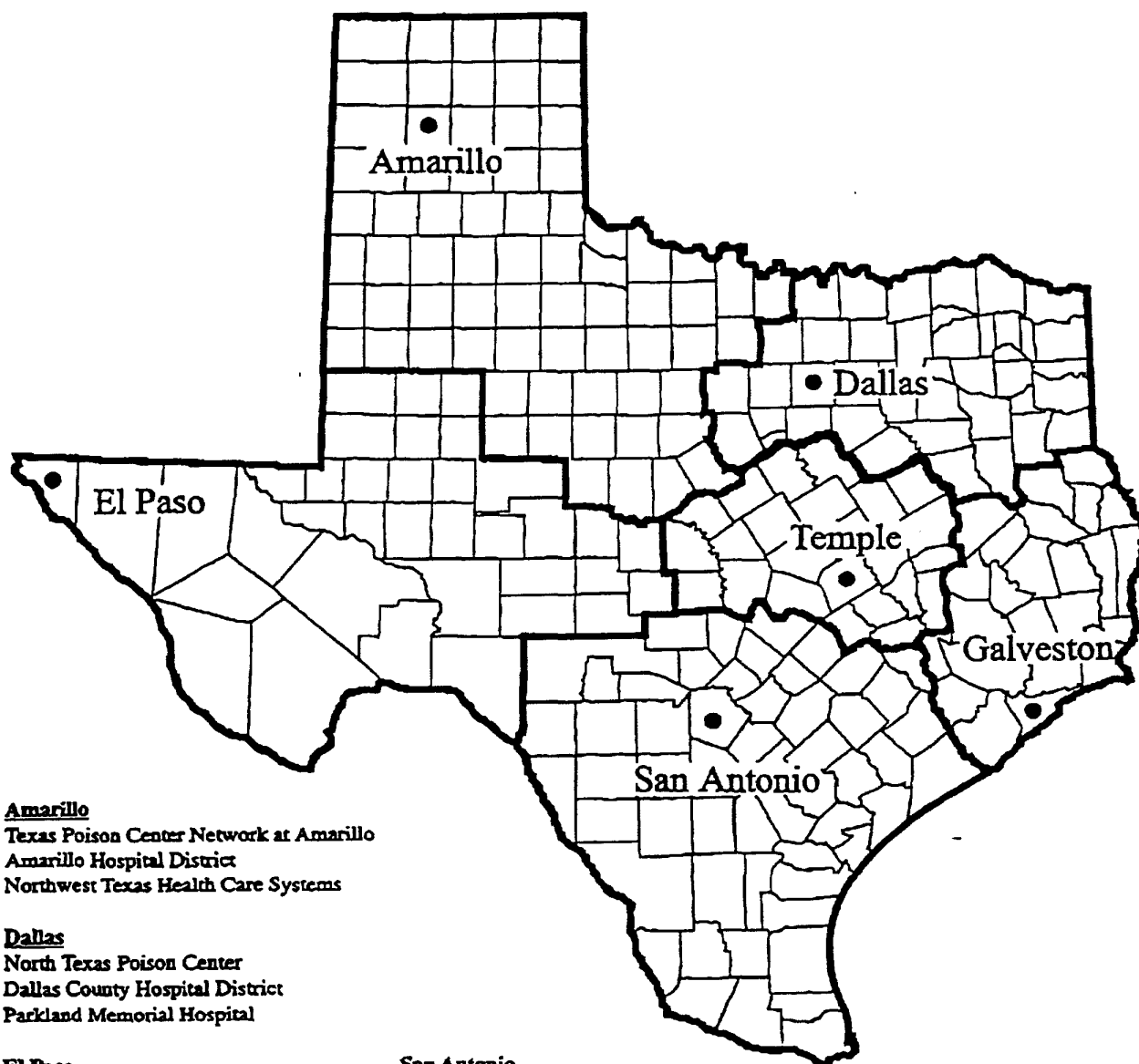
Aside from the benefits of reducing the number of injuries and deaths resulting from poisonings, the State's poison centers also reduce the medical costs of treating exposures to potentially harmful substances. More than 72 percent of calls to the Network are safely handled at the caller's home under the direction of the poison center's staff. As a result, emergency medical services can be saved for more serious cases and the caller avoids an expensive trip to the hospital. According to national studies, for every dollar spent on poison center services, communities save between \$6 and \$9 in unnecessary emergency health care costs.⁷ Further, poison centers reduce hospital usage by 14 percent and emergency room admittance by 27 percent.⁸

ADMINISTRATION OF THE TEXAS POISON CENTER NETWORK

The Commission and the Texas Department of Health (TDH) jointly administer the Texas Poison Center Network. Together, the two agencies adopt rules regarding the operation of the Network, many of which concern

The Texas Poison Control Network provides 24-hour access to poisoning information through its toll-free number, 1-800-POISON-1.

Each dollar spent on poison center services can save up to \$9 in unnecessary emergency health care costs.

Texas Poison Center Network**Amarillo**

Texas Poison Center Network at Amarillo
Amarillo Hospital District
Northwest Texas Health Care Systems

Dallas

North Texas Poison Center
Dallas County Hospital District
Parkland Memorial Hospital

El Paso

West Texas Regional Poison Center
Thomason Hospital

Galveston

Southeast Texas Poison Center
University of Texas Medical
Branch at Galveston

San Antonio

South Texas Poison Center
University of Texas Health Science
Center at San Antonio

Temple

Central Texas Poison Center
Scott & White Hospital

- automatic call routing to the nearest poison center
- automatic re-routing of calls to another center if the nearest one is overloaded with calls or is unable to take calls because of equipment problems;
- access to the caller's phone number and location information, where available; and
- staff access to common medical databases containing information about potentially harmful substances and how to treat poisonings.

A single network links Texas' six poison centers and allows for the automatic re-routing of calls away from busy centers.

By the end of 1998, the final phase of the poison computer system will be implemented. A centralized database in San Antonio will maintain patient call records collected throughout the Poison Center Network and make them accessible to each center. As a result, one center will be able to view records of a caller's previous call, even if that call was handled at a different center.

¹ Office of the State Auditor, State of Texas, *An Audit Report on the Statewide 911 System*, Report No. 98-054 (Austin, Tex., July 1998), p. 1.

² Advisory Commission on State Emergency Communications, *Self Evaluation Report to the Sunset Advisory Commission*, (Austin, Tex., September 1997), p. 15.

³ Advisory Commission on State Emergency Communications, *Strategic Plan 1999-2003* (Austin, Tex., June 15, 1998), p. 15.

⁴ *Self Evaluation Report to the Sunset Advisory Commission*, p. 15.

⁵ *Strategic Plan 1999-2003*, p. 15.

⁶ Phone interview with Sherry Powell, Public Education Coordinator, Advisory Commission on State Emergency Communications, July 10, 1998.

⁷ *The Poison Experts: Texas Poison Center Network Annual Report - 1996*, p. 5.

⁸ Texas Performance Review, Comptroller of Public Accounts, State of Texas, *Disturbing the Peace* (Austin, Tex., 1996), p. 417.

⁹ *The Poison Experts: Texas Poison Center Network Annual Report - 1996*, p. 6.

APPENDIX

APPENDIX

Best Practice Contract Administration*	
Action	Components
Planning	<p>Agencies should conduct effective planning before they make contracting decisions:</p> <ul style="list-style-type: none"> • use of a formalized planning process to examine service needs and develop contract expectations; • appropriate approval by oversight entities; and • development of detailed RFBs/RFPs.
Contract Award	<p>Agencies should use bid evaluation procedures that ensure selection of the best overall vendor:</p> <ul style="list-style-type: none"> • bids evaluated on specific criteria contained in RFBs/RFPs; • evaluation criteria place emphasis on factors other than price such as technical factors, vendor experience, and past performance; • bids evaluated by a team consisting of both contracting and user personnel; and • eligible vendors are screened based on past performance and other related factors.
Monitoring Contractor Performance	<p>Agencies should continually monitor contractor performance:</p> <ul style="list-style-type: none"> • specific contract and quality assurance monitoring provisions should be included in the contract; • contract management participation should include all relevant parties (financial, regulatory, program, etc.); and • level of monitoring should be consistent with size of contract and risk.
Performance Measures	<p>Contracts should contain provisions designed to hold contractor accountable:</p> <ul style="list-style-type: none"> • contracts should include clearly defined goals, outputs, and measurable outcomes that directly relate to program objectives.
Sanctions	<p>Contracts should include clearly defined sanctions or penalties for noncompliance with contract terms and conditions such as performance bonds, liquidated damages clauses, and retainage clauses.</p>
Financial Controls	<p>Contracts should clearly specify the accounting, reporting, and auditing requirements applicable to funds received under the contract.</p>
Risk Management	<p>Agencies should set up a formal program using a risk assessment methodology to monitor compliance with financial and performance requirements under the contracts, including a determination of whether the contractor has achieved performance objectives.</p>
Payment Methods	<p>Agencies should set up a formal program to obtain and evaluate program cost information to ensure that all costs, including administrative costs, are reasonable and necessary to achieve program objectives.</p>
Extensions and Modification of Scope	<p>Contracts should contain provisions giving the agency flexibility to adjust to changing requirements:</p> <ul style="list-style-type: none"> • documented procedures establishing the requirements for controlling contract amendments; • require approval and sign-off of the changes by key agency users, management, steering committees, and board members; and • independent analysis of contract amendments.
Post-Implementation Review	<p>Agencies should conduct post-implementation performance reviews to analyze contractor performance:</p> <ul style="list-style-type: none"> • analyze the cost-benefit of continuing the contract with the initial contractor; and • use of an audit compliance tracking system to monitor significant findings to ensure corrective action occurs.
Management Information Systems	<p>Agencies should develop information systems that support centralized contractor databases:</p> <ul style="list-style-type: none"> • identify duplicate payments on both intra- and interagency basis; and • compile performance data on contractors for use in eligibility screening.

* Texas Sunset Advisory Commission, Department of Protective and Regulatory Services: Sunset Staff Report (1996), p. 64.